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Summary record of the 6th meeting
Held at Headquarters, New York, on Tuesday, 16 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 127: Programme budget for the biennium 2006-2007

Standards of accommodation for air travel

Contingent disability reserve for the United Nations Postal Administration

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The meeting was called to order at 10.05 a.m.

Agenda item 127: Programme budget for the biennium 2006-2007

Standards of accommodation for air travel (A/61/188 and Corr.1, A/61/661, A/61/801 and A/62/351)

Contingent liability reserve for the United Nations Postal Administration (A/61/900 and A/62/350)

1. **Ms. Hurtz-Soyka** (Chief of the Office for Oversight and Internal Justice, Department of Management), introducing the report of the Secretary-General on standards of accommodation for air travel (A/61/188 and Corr.1), said that the report, the second to have been issued in response to General Assembly resolution 57/589, provided detailed information on the exceptions authorized by the Secretary-General to the normal standards of accommodation and a fuller analysis by source of funding of the additional costs incurred thereby. There had been an overall decrease in the total number of exceptions granted (217 in the two-year period ended 30 June 2006 as against 236 in the preceding period) and in the number of exceptions for first-class travel (77 as against 98), reflecting the efforts to apply tighter criteria to the granting of requests. The Secretariat would continue to exercise close oversight of the granting of exceptions.

2. **Mr. Herman** (Senior Adviser on Information Management Policy Coordination to the Chief Executives Board for Coordination), introducing the report of the Secretary-General on review of the standards of travel and entitlement for staff members, members of organs and subsidiary organs of the United Nations and entities of the United Nations system (A/61/801), said that report constituted the initial phase of the review requested in General Assembly resolution 60/255. In the light of feedback from the Committee the inter-agency bodies would formulate recommendations and measures to improve the harmonization of travel policies. The report built on a similar exercise conducted by the Joint Inspection Unit (JIU) (A/60/78) and reviewed the extent to which the organizations were moving towards harmonization of standards and towards establishing a baseline for further efforts. By and large, such harmonization had proved elusive: for example, the key indicator of the threshold for the use of business class continued to differ across the system. The organizations had, however, moved towards greater coherence in some areas, in differentiating, for example, between staff members above and below the D-2 level. There was also convergence towards the practice of offering lump-sum payments for many categories of travel entitlement, which simplified administrative procedures. The travel rules for representatives of Member States continued to differ across organizations.

3. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on standards of accommodation for air travel (A/61/661), said that it had been prepared in the light of the information presented by the Secretary-General for the two-year period ended 30 June 2006. The Advisory Committee was of the view that there was a need for careful scrutiny of exceptions to the standards of accommodation for air travel and recommended that the General Assembly should request an audit by the Office of Internal Oversight Services of all categories of exception. It was also of the view that first-class travel should be limited to the President of the General Assembly and the Secretary-General and that the Assembly might wish to consider a revision of the policy stated in its resolution 42/214.

4. Turning to the ACABQ report (A/62/351) on the report of the Secretary-General on reviews of the standards of travel and entitlement (A/61/801), he said that the Advisory Committee considered that the Chief Executives Board for Coordination (CEB) had not fully responded to the mandate contained in resolution 60/255: the report presented a compilation of data resulting from a survey without indicating any action taken or proposed and did not make any proposals for the adoption of a common policy to better harmonize the conditions of travel at the level of the United Nations system. The Secretary-General should therefore be requested to submit a comprehensive report, on the basis of a CEB review, and specific proposals with a view to harmonizing the conditions of travel throughout the system. That report should further indicate the measures which could be implemented under the authority of the Secretary-General and those which would require the approval of the General Assembly. It should also take into account the study of the International Civil Service

Commission on the subject and the recommendations of JIU, ACABQ and the General Assembly.

5. **Ms. Nowlan** (Chief of Service III, Programme Planning and Budget Division), introducing the report of the Secretary-General on a contingent liability reserve for the United Nations Postal Administration (UNPA) (A/61/900), said that the report provided additional information on options for reducing the risk posed to UNPA by use of its commercial and bulk-mail services other than the establishment of a contingent liability reserve. It was estimated that some 87 per cent of UNPA income over the past 20 years constituted a contingent liability. The Secretary-General's proposals for the establishment of a reserve were in line with the recommendation made by the United Nations Board of Auditors in its report (A/61/5, Vol. I). The continuing efforts of UNPA to obtain further discounts on mail charges from the postal authorities of the United States, Austria and Switzerland were described in paragraphs 14 to 16 of the Secretary-General's report; the two options for risk reduction were set out in paragraphs 17 and 19, and the action required by the General Assembly in paragraph 23.

6. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on a contingent liability reserve for the United Nations Postal Administration (A/62/350), said that the Advisory Committee reiterated the view as to the merits of creating such a reserve expressed in paragraph 8 of its previous report on the question (A/61/480). However, it considered that the level of the reserve should be looked into by the Board of Auditors in the light of the recent developments indicated in the Secretary-General's report and the projections of income and expenditure shown in the annex to the previous ACABQ report.

7. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group agreed that the Secretary-General should be accorded discretion with regard to standards of accommodation for air travel; it also supported the Advisory Committee's view that all requests for exceptions must be carefully scrutinized. Developments in the air-travel industry and the resulting improvements in aircraft comfort should also be taken into account. In view of the lack of a common policy in the United Nations system on standards of accommodation and staff entitlements, the Group fully endorsed the ACABQ recommendations on the Secretary-General's role on the issue in the CEB framework and looked forward to the requested comprehensive report.

8. With regard to the Secretary-General's proposal for the establishment of a contingent liability reserve for UNPA, the Group underlined the importance of ensuring a net profit by means of cost-cutting, operational changes and the introduction of new products. It accepted the merits of establishing such a reserve, a move which might also be necessary in order to meet the requirements of the International Public Sector Accounting Standards.

The meeting rose at 10.25 a.m.